

BILL ANALYSIS

H.B. 1484
By: Metcalf
Natural Resources
Committee Report (Unamended)

BACKGROUND AND PURPOSE

When certain water or wastewater utility companies are acquired, the acquiring utility is required to use the acquired utility's rates. If the acquiring utility wishes to use its current filed rate instead, the utility must file a rate increase case with the Public Utility Commission of Texas. There have been calls to authorize acquiring utilities to extend their previously filed and approved rates to the customers served by the acquired utility without filing a new rate case, which would better enable the acquiring utility to upgrade, improve, and modernize the acquired utility system. H.B. 1484 seeks to address this issue by authorizing acquiring utilities to use previously approved rates immediately after acquiring another utility.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 1484 amends the Water Code to authorize a person who files an applicable application with the Public Utility Commission of Texas for the purchase or acquisition of certain water or sewer systems to request that the regulatory authority with original jurisdiction over the rates for water or sewer service provided by the person to such a system's customers authorize the person to charge initial rates for the service that are as follows:

- shown in a tariff filed with a regulatory authority by the person for another water or sewer system; and
- in force for the other system on the date the application is filed.

The regulatory authority may not require a person who makes such a request to initiate a new rate proceeding to establish the initial rates for service the person will provide to the customers of the purchased or acquired system.

EFFECTIVE DATE

September 1, 2021.